Finally statutory auditors should be obliged to reports to RBI any infringement of regulatory guidelines.

(f) In pursuance of the recommendations of this Committee a comprehensive inspection manual has been prepared by RBI dealing, inter-alia, with on-site inspection of large size (NBFCs) with emphasis on ascertaining quality of assets. RBI have also reiterated development of off-site surveillance mechanism to monitor financial health of NBFCs.

Modernisation of Printing Units in Security Presses

1452. PROF. RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the process of modernization of printing units in Government Security Presses at Nasik and Dewas has not yet been completed and the production capacities of Government Security Presses at Mysore and Salboni are not fully utilised;

(b) if so, the reasons therefor;

(c) when appropriate action will be taken by Government to set right the printing presses at above places to the full advantage;

(d) whether Government are aware that there is a constant demand for issuance of currency notes of higher denominations of rupee one thousand/five thousand/ten thousand; and

(e) if so, the reaction of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The expected date of completion of modernisation projects of Government Security Printing Presses at Nasik and Dewas are as under:

Name of Press	Expected date of completion of project
1. Currency Note	December, 1998
Press, Nasik. 2. Bank Note Press,	September, 1997
Dewas.	

The note printing presses under construction at Mysore and Salboni are under the direct control of Reserve Bank of India. One line of printing machine has been commissioned each at the Mysore Press and Salboni Press with effect from 1-6-1996 and 11-12-1996 respectively. These machines are fuly utilised.

(d) and (e) While demands have been raised for issue of higher denomination bank notes of rupees one thousand/five thousand/ten thousand, Government has not taken a final decision in the matter.

Review of FERA

1453. SHRIMATI ANANDIBEN JETHABHAI PATEL:
SHRI ANATRAY DEVSHANKER DAVE:

Will the Minister of FINANCE be pleased to state:

(a) whether the FERA Act, 1973 is under review of the Government;

(b) whether it is a fact that a number of trade and commerce associations have represented to the Government for making changes in the existing Act, which is a hindrance to the industry at present;

(c) if so, the details thereof; and

(d) the details of proposal accepted by the Government for incorporation in amending the Act?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The Government propose to replace FERA

1973 by Foreign Exchange Management Act, (FEMA), the draft of which is under consideration of the Government.

Control Over Government Funds

1454. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news-item which appeared in the Times of India dated 9th May, 1997 under the heading "Parliament has no control over 80% of the Government funds"; and

(b) if so, the reaction of Government"' thereto?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes please.

(b) The news item has mainly referred to large governmental expenditure which is classified as 'charged' on the Consolidated Fund of India and the incidence of rush of expenditure in March. Provisions for 'charged' expenditure are duly budgeted and even though these are not subject to vote of Parliament, the 'charged' expenditure is included in the Appropriation Bill, which is approved by the Parliament.

As regards rush of expenditure in March, instructions to Ministries/ Departments are already existing for ensuring that the expenditure budgeted for the year should be evenly spread so as to avoid rush of expenditure towards the close of the financial year. However, such items of expenditure are not unauthorised since these are incurred out of the provision sanctioned in the Budget as per the Appropriation Act.

Merger of ICICI and SCICI

1455. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) the gains expected from ICICI and SCICI merger;

(b) what prompted this merger in the first place;

(c) whether a number of ICICI policies have come out as losing proposition;

(d) whether a complete free hand has been given to ICICI; and

(*) if so, whether this freedom is not being properly used by ICICI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT-PAL MAHARAJ): (a) and (b) The Industrial Credit and Investment Corporation of India Limited (ICICI) has reported that the major benefits accruing from the merger are as follows:—

(i) The merger would result in a larger size of the balance sheet and broader capital base which would enable ICICI taking up higher exposures in projects;

(ii) It would also result in a stronger position for ICICI to access resources at competitive rates by leveraging the enhanced capital base;

(iii) Consolidation of operations and better manpower utilisation would result in lower operating costs, and would enhance share-holders value;

(c) ICICI has reported that the profits of ICICI has steadily grown and the net profit for the year 1996-97 has increased to Rs. 770 crores as against the net profit of Rs. 474 crores in 1995-96.

(d) and (e) ICICI is a public limited company incorporated under the Companies Act, 1956. Government of India does not hold any share capital in ICICI. ICICI is governed by policies as decided by its Board of Directors from time to time. However, it functions within the overall regulations under the Companies Act and various other statutes/guidelines.